

# STATE OF VERMONT

## AGENCY OF ADMINISTRATION

BULLETIN NO. 2.3

TO: All Agency Secretaries and Department Heads  
FROM: Michael Smith, Secretary of Administration  
DATE: July 13, 2004  
SUBJECT: State Vehicles (Purchase/Usage and Disposal)

### **SUPERCESSION**

Agency of Administration Bulletin No. 2.3, dated September 21, 1987 is superceded and canceled.

### **PURPOSE:**

This bulletin outlines state policy regarding the provision and use of state owned motor vehicles.

### **POLICY:**

The basic policy governing the provision and use of motor vehicles is that official travel be performed safely and at the lowest cost to the state within the constraints of the law as reflected in 3 V.S.A. §217(a):

*"No state department or agency, board, or commission, except the governor, the commissioner of the department of buildings and general services, or the commissioners of the departments of fish and wildlife and public safety for use of employees who are sworn law enforcement officers, may maintain or provide passenger vehicles subject to such exceptions as may be made by the commissioner of buildings and general services in circumstances where there is documented evidence of necessity based upon the requirements or conditions of individual state programs."*

State-owned vehicles are for **official use only** and will not be operated for personal business. Only state employees and state officials are authorized to operate state owned vehicles. Any passengers are to be on official state business.

Official employee travel is to be accomplished through the use of state vehicles whenever such vehicles are available.

### **Vehicle Purchases:**

The Commissioner of Buildings and General Services shall be responsible for all vehicles in conformance with Title 29 § 903 (a)

*“When any governmental agency is in need of any of the items mentioned in this chapter, the responsible officer thereof shall requisition therefore upon the commissioner of buildings and general services, and the commissioner of buildings and general services shall purchase the item by either advertising for bids or by letters of inquiry and the contract for those items shall be awarded to the person whose bid or quotation is in the best interest of the state.”*

Additional policy guidance exists through Executive Order #10-28. As part of this Executive Order:

*“All state agencies, offices, and departments, are directed to purchase vehicles that have the highest available fuel efficiency in each respective vehicle class (e.g. passenger cars, light duty trucks, etc.). In setting these performance specifications, the working group shall consider vehicles that not only meet high fuel economy standards but that also provides lower total overall emission of greenhouse gasses, criteria pollutants, and hazardous air contaminants.”*

The number of vehicles operated by an agency/department will not be increased without prior approval of the Secretary of Administration. Departments must request additions to their fleet through the department of Buildings and General Services.

Leasing of vehicles must be requested through Buildings and General Services for approval by the Secretary of Administration and will be subject to the same guidelines as for purchased vehicles.

All departments and agencies owning vehicles are responsible for recording their purchase in the State's asset management system.

### **Vehicle Use and Replacement:**

The need for departmental vehicles will be subject to continuing review. Departments are expected to continually analyze vehicle usage vs. program requirements to justify retention of vehicles.

Any department/agency that owns and operates vehicles will maintain records of them including, at a minimum: The year, make, model, engine size, acquisition cost, in-service date, registration information, assignment and location of the vehicle, a daily mileage record, and year to date operating/maintenance costs.

Replacement of state vehicles will be based primarily on the general condition of the vehicle, its anticipated usage, and estimated maintenance/repair expenses. Replacement of state vehicles will be based on the lowest life-cycle costs whenever feasible within budgetary constraints.

### **Title, Registration, and Identification**

Title: All state vehicles will be titled to the owning department with the first lien holder being Buildings and General Services.

The titles will be retained by Buildings and General Services.

Registration: All state vehicles will be registered through the Department of Motor Vehicles. (This includes vehicles loaned for driver education purposes.) Registrations will be renewed every five years. All state-owned vehicles will have a "state" license plate. All requests for standard vanity, or undercover license plates require written approval from the Secretary of Administration.

The Department of Motor Vehicles will not register additional state vehicles unless proof that the Secretary of Administration has approved the additional vehicles(s) is provided. License plates will not be shifted between vehicles unless the registration is transferred concurrently.

Identification: The removal or covering of identifying decals requires the written approval of the Commissioner of Buildings and General Services.

### **Disposal of State Vehicles**

Buildings and General Services shall be the sole agent for disposal off all state owned vehicles.

### **General Instructions for Operation of Vehicles**

Employees who drive state vehicles should complete the defensive driving course approved by the Risk Management Division at least once every ten years and within six months of their employment with the state. Additional information about this course is available from Risk Management.

Operators will observe all federal and state laws at all times while operating a state vehicle.

Smoking and picking up hitchhikers is strictly prohibited in all state owned vehicles.

All passengers will wear seat belts at all times when the vehicle is in operation.

Departments permitted by statute to operate a state fleet shall develop and maintain policies and procedures for the operation of state vehicles to include proper care and maintenance guidelines. Each policy shall also prohibit negligent operation and shall include a notice to operators of vehicles that violations of the procedures could result in discipline action. Failure to properly care for and maintain a vehicle, including negligent operation whether or not it results in personal injury or property damage, or failure to comply with the policies and procedures will be grounds for disciplinary action.

### **IRS Regulation for Commuting Use**

Employees' use of an employer-provided vehicle for commuting is considered a fringe benefit income. Federal law requires employers, including the State of Vermont, to report all fringe benefit income to the IRS and the employee.

Employer-provided vehicles include state-owned or leased vehicles or those provided to state employees by a contractor in connection with a state contract. The IRS provides exemptions for use of employer-provided vehicles it defines as "qualified non-personal use vehicles." Two specific exemptions include:

- A) Law enforcement and fire vehicles; and
- B) Vehicles unsuited for personal use. (Pick-up trucks and vans are NOT exempt).

To calculate the value of the use of the employer-provided vehicle, the State of Vermont will determine the amount to be reported based on the then-current IRS publication.

### **Employee Commuting with State Owned Vehicles**

At the discretion of the Secretary of Administration through Buildings and General Services, the following individuals may be authorized to take assigned state vehicle home on a regular basis:

- Employees whose official duty station is their home
- Sworn law enforcement officers
- Emergency response duty officers

Other individuals may taken home a state-owned vehicle fewer than 30 days per year with the approval of their fleet manager. Taking a state vehicle home in excess of 30 days per year requires the written approval of the Secretary of Administration through the Commissioner of Buildings and General Services and will be recorded as a fringe benefit.

## **Fleet Management Operations**

The **Department of Buildings and General Services**, Division of Fleet Management Services will be responsible for the assignment, operation, insurance, disposal, and replacement of all state passenger vehicles and light duty trucks. Exceptions may be granted by BGS on a case by case basis.

The **Agency of Transportation** will be responsible for highway maintenance vehicles (i.e. Plow trucks, graders and loaders). The **Departments of Fish and Wildlife** and **Public Safety** will be responsible for vehicles used by sworn law enforcement officers within their respective departments.

Buildings and General Services, Division of Fleet Management Services in coordination with the Agency of Transportation and Department of Public Safety will maintain the official inventory of all state owned vehicles. All vehicles will be received by Buildings and General Services, Fleet Management Services and recorded in the fleet management database prior to pick-up by a state agency or department. This includes Fish and Wildlife vehicles and special design vehicles. The Department of Public Safety will be responsible for recording its own vehicles and the Agency of Transportation will be responsible for recording its highway maintenance vehicles.

## **Insurance Coverage and Accident Reporting**

An insurance identification card naming the current carrier will be kept in each state vehicle.

In the event of a motor vehicle accident involving damage ONLY to the state vehicle, the operator shall immediately report the accident to the owning department and to their supervisor (in the case of state police officers, to the shift commander).

If the damage to the vehicle exceeds \$500, OR if there is bodily injury to any person, OR if there is damage to any property other than the vehicle, the operator shall also report the accident to the nearest law enforcement officer and the vehicle should not be moved from the spot of the accident until authority is granted by the investigating officer.

The operator shall also complete the Risk Management Division Automobile Accident or Loss Notice form and submit it through appropriate departmental channels to the Risk Management Division.

If a motor vehicle accident results in death, serious bodily injury, or serious property damage the accident should be reported immediately by phone to the Risk Management Division in addition to the notifications and reports required above.

The Department of Motor Vehicles Report of a Motor Vehicle Accident form shall be completed and submitted whenever required by law.

If an employee is involved in an accident while operating a vehicle for other than official or authorized use, the use of the vehicle(s) may constitute grounds for disciplinary action. The employee may also be sued by the state or its insurance carrier to recoup all costs incurred by the state and its carrier as a result of the accident.